

In conversation with...

Philips

Innovation is key to a sustainable business growth strategy. At Royal Philips Electronics, the diversified multinational health and wellbeing company with its headquarters in Amsterdam, innovative processes have long been at the heart of the operations. In conversation with Deloitte Chairman of the Executive Board, Roger Dassen and Deloitte Global Lead Client Service Partner for Philips, Karel Bakkes, Philips Executive Vice-President, Gottfried Dutiné, explains why making innovation work is harder than most companies think.

Deloitte partner Karel Bakkes, Gottfried Dutiné, EVP of Philips, and Roger Dassen, CEO of Deloitte

Growth through innovation

Anticipating change and responding to customer needs has been central to Philips' success in the global healthcare, lighting and lifestyle markets. "At Philips, we have sought to understand where our main challenges are coming from," says Gottfried Dutiné, Philips Executive Vice-President. "Our strategy is to adapt to future applications and improve the quality of people's lives through the timely introduction of meaningful innovations. To do this, we've looked carefully at what our consumers and B2B customers want because consumer insights and professional endorsements of our product and service offerings are paramount to our success."

Over the years, Philips has patented a number of innovations in key strategic areas including medical imaging, sleep, respiration, domestic appliances, LED lighting, just to name a few. Next to product development in its core business units, the company directs its innovation efforts via three dedicated incubators, one for each of its business areas: Lighting & Clean Tech, Healthcare and Lifestyle.

"Innovation is what happens when you bring people together who often had nothing to do with each other until then - it's important to break up silos and to look at totally new or adjacent business propositions," he explains. "Innovation also means learning from your customers and feeding that information successfully back into the organisation. The challenge most organisations face is doing that successfully."

A recent example of a successful Philips innovation is the Philips Wake-up Light, which uses light to simulate a dawn awakening, instead of jarring people out of bed with an alarm clock. Clinical research shows that sunrise simulation has proven health benefits and improves well-being. "Consumers are getting older, better educated and more interested in health," he says. "We are finding new ways for people to manage their wellbeing."



Gottfried Dutiné, EVP of Philips, Roger Dassen, CEO of Deloitte, and Deloitte partner Karel Bakkes

“Philips is a text book example of why companies with successful innovative processes are more competitive and better able to offer value to their customers,” says Dassen. “At Deloitte, we also strive to bring innovative service offerings to the table, which keep our clients ahead of the game.”

Deloitte has provided a wide range of services to Philips over the past years. Work was carried out in the areas of HR, corporate tax, strategy development for emerging markets and pricing, among others.

Because of the breadth and depth of the relationship, Deloitte has organised dedicated teams in the Netherlands and the United States, and similar resources in India, China, Russia and Brazil, to service Philips globally in a seamless way. The relationship is coordinated through Deloitte’s Global Lead Client Service Partner, Karel Bakkes, and all professionals involved are required to take a dedicated e-learning module to gain a good understanding of Philips.

“We have benefited from Deloitte’s integrated approach for years and its global insights into the various markets in which we operate,” says Dutiné. “Deloitte services us across all borders and is a valued organisation that also shares our vision for innovation.”

